Field Guide for Conducting Management Compliance Reviews

of

Indiana's Section 5311 Grantees



Prepared for:

Indiana Department of Transportation Public Transit Section



Prepared by

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Indiana Department of Transportation Public Transit Section

Compliance Review Certification Checklist

The following items will be used during the compliance review. The italicized referenced following each item refers to the appropriate section and page of the Indiana Section 5311 Program Manual, Volume I.

Eligibility	
	Public Agencies: Authorizing Resolution for Submitting Grant and Executed Contract with IDOT (<i>Eligible Applicants</i> , <i>p. II-1</i>) Copies of Any Subcontracts with Local Operators (<i>Eligible Applicants</i> , <i>p. II-1</i>)
	Annual Public Transportation Reports, Last Two Years (<i>Project Invoicing and Reporting, p. IV-5</i>)
Eligible Ass	sistance Categories, Local Match, and Audits
	Subrecipient's chart of accounts (<i>Eligible Funding Categories</i> , p. II-5 and Financial Management Systems, p. IV-2) Indirect cost plans (if indirect costs are charged to the S. 5311 grant (<i>Indirect Costs</i> , p. IV-3) Documentation of payments to "self-insurance" funds (if used)(<i>Eligible Funding Categories</i> , p. II-5) Last Four (4) Quarterly Operating and Capital Reports (<i>Project Invoicing and Reporting</i> , p. IV-5) Last Four (4) Quarterly Financial Status Reports (<i>Project Invoicing and Reporting</i> , p. IV-5) Budget Revisions, Last Year (<i>Budget Revision Procedures</i> , p. IV-8) Copies of independent audits conducted pursuant to OMB A-128 or OMB A-133 (<i>Audit</i> , <i>Resolution</i> , and <i>Project Close-Out</i> , p. IV-10) Documentation of actions to resolve audit findings (<i>Audit</i> , <i>Resolution</i> , and <i>Project Close-Out</i> , p. IV-10)
Services an	d Use of Project Equipment (Non-Eligible Incidental Use)
	Copy of last year's grant application to INDOT (Grant Application Development, p. III-2) Vehicle fleet roster with funding source designation, date of acquisition, accessibility status, and "designed to transport" capacity (Grant Application Development, p. III-2)

	venicle utilization charts (II available) (Grant Application Development,
	p. III-2) Copy of FHWA Office of Motor Carriers registration form (if vehicles
	traverse state lines)(No Reference in Manual – See INDOT for special instructions)
	Copy of cost allocation plan to split costs between funds (If recipient
	receives both S. 5311 and S. 5307 funds)(Eligible Applicants, p. II-1)
	Copy of TIP (if subrecipient is within planning jurisdiction of an MPO)(Grant Application Development, p. III-3)
	Documentation of insurance coverages (including collision) or other self-insurance coverage to protect Federal and State interests in the equipmen (Satisfactory Continuing Control, p. V-2)
	Lease agreements, if equipment is leased to a lower tier subcontractor (Satisfactory Continuing Control, p. V-2)
	Subrecipient's written disposition procedures for equipment that has surpassed its useful life? (Disposition, p. V-3)
	Preventive maintenance plans and schedules (Satisfactory Continuing Control, p. V-2)
	Copies of public notice and hearing record (If subrecipient is receiving capital assistance) (Grant Application Development, p. III-2)
Procurem	ent
	For locally conducted procurements, copies of procurement documents, including IFB, RFP, or purchase orders and vendor lists, bid tabulations, etc. (Methods of Procurement, p. VI-5)
	For vehicle procurements of non-accessible vehicles (where accessible vehicles are required) documentation of "good faith" efforts (Acquisition of Accessible Vehicles, p. VII-3)
	Agreements for any equipment used by the subrecipient obtained through a lease agreement (INDOT Review, p. VI-11)
General C	ompliance and Assurances
	Copy of subrecipient's Standard Assurances certification (Required
	Contract Clauses, p. VI-8)
	Copy of the subrecipient's Statement of Continuing Validity (Grant Application Development, p. III-2)

Civil Rights (Title VI)		
	Copy of standard Title VI Assurance (Submission of Standard Assurance, p. VII-1) Description(s) of any lawsuits or complaints alleging discrimination in service delivery filed within last year along with statement of resolution/outcome (Nondiscrimination, p. VII-1) Summary of all civil rights compliance activities conducted in the last three years (Nondiscrimination, p. VII-2) Analyses of environmental or social impacts, including minority communities, arising from constructions project (except those that qualify as categorical exclusion) (Nondiscrimination, p. VII-2)	
Equal Emp	ployment Opportunity (EEO)	
	Copy of EEO program (If the subrecipient receive more than \$1,000,000 in Federal assistance or employ more than 50 employees) (Equal Employment Opportunity, p. VII-2)	
Disadvanta	aged Business Enterprise (DBE)	
	Copy of DBE Program and Goals (If the subrecipient receive more than \$250,000 (exclusive of vehicle purchases) in Section 5311 funds (and Section 5307 and Section 5310 funds, if applicable)) (Disadvantaged Business Enterprise, p. VII-2) Copies of most recently developed annual DBE goals (if applicable)	
	(Disadvantaged Business Enterprise, p. VII-2) Copy of non-attainment statements, if applicable (Disadvantaged Business Enterprise, p. VII-2)	
	DBE reports to IDOT (if applicable) (Disadvantaged Business Enterprise, p. VII-2)	
Section 504	4 and Americans with Disabilities Act (ADA)	
	Copies of any complaints filed against the subrecipient alleging discrimination on the basis of disability in service delivery (filed within last year) along with statement of resolution/outcome (Americans with Disabilities Act, p. VII-3) Written records of service denials and the basis for those denials (Americans with Disabilities Act, p. VII-3) Copy and description of fare structure employed by the subrecipient (Americans with Disabilities Act, p. VII-3)	
	Copy of system information distributed or available to the public (Americans with Disabilities Act, p. VII-3)	

	Copies of the complementary paratransit plan and annual updates (with IDOT/FTA approval letters), if applicable (Americans with Disabilities Act, p. VII-3)
Labor	
	Copy of the most recently executed Section 5333(b) warranty (Grant Application Development, p. III-2 and Labor, p. VIII-1) Copy of the list of other eligible recipients, and labor unions in the service (included with the grant application) (Labor, p. VIII-1)
Private Se	ector Participation
	Notice of public hearing and hearing record (capital grants only) (Grant Application Development, p. III-2 and Private Sector Participation, VIII-2)
Charter S	ervice
	Published annual notice to determine if there are any private sector companies able and willing to perform this services (if subrecipient engages in charter service) (Incidental Charter Service, p. VIII-2) Undue hardship exceptions (if applicable) (Incidental Charter Service, p. VIII-2) Copies of complaints regarding provision of charter service (Incidental Charter Service, p. VIII-2)
School Bu	s Service
	Copies of contracts with all entities that purchase contract service from the system (School Transportation, p. VIII-3)
Buy Amer	cica/Pre-Award and Post-Delivery Reviews/New Bus Testing
	Documentation of Buy America waivers (if applicable) (Buy America, p. VIII-3)
	Buy America certifications (Buy America, p. VIII-3) Pre-award and post-delivery audit certifications (Pre-Award and Post Delivery Review, p. VIII-4)
	Pre-award and post delivery audits (if applicable) (Pre-Award and Post Delivery Review, p. VIII-4)
	Copy of in-plant inspection (if more than 10 vehicles purchased) (Pre-Award and Post Delivery Review, p. VIII-4)

	Copies of vendor provided Bus Testing certifications (New Model Bus Testing, p. VIII-4)
Integrity/Res	trictions on Lobbying
	Copy of "debarment" certification (Debarment and Suspension, p. VIII-5) Copies of lower tier contracts (Debarment and Suspension, p. VIII-5) Copy of certification of Restrictions on Lobbying (if FTA funds exceed \$100,000) (Debarment and Suspension, p. VIII-5) Copy of Standard Form LLL (if subrecipient uses non-Federal funds for lobbying activities) (Debarment and Suspension, p. VIII-5)
Drug Free W	orkplace/Drug and Alcohol Testing
	Copy of Drug-Free Workplace policy (<i>Drug and Alcohol Policy, p. VIII-5</i>) Copy of policy conveyance to employees (e.g., pamphlet, memoranda, employee acknowledgements, etc.) (<i>Drug and Alcohol Policy, p. VIII-5</i>) Documentation of submittal (dates) of MIS reports to IDOT (<i>Drug and Alcohol Policy, p. VIII-5</i>)
Environment	tal Protection
	Copy of subrecipient's assurance that project is "categorically excluded" (Protection of the Environment, p. VIII-7) Documentation of IDOT or FTA of other projects that required further environmental study or determination (e.g., environmental assessments, FONSI, or EIS) (Protection of the Environment, p. VIII-7)
Bloodbourne	Pathogens
	Exposure Control Plan (Bloodbourne Pathogens Policy, p. VIII-9)

Field Audit Guide

This field audit guide has been prepared in order to have the compliance review specialist conduct comprehensive and uniform data collection in the performance of compliance audits for the Indiana Department of Transportation, Public Transit Section.

The compliance review specialist should pose the questions contained in this guide to appropriate staff at the grantee's location. If the grantee operates service through use of lower tier subcontractors, subcontractor compliance must also be determined.

A. Management and Organization

Transit system management is responsible for ensuring the proper execution of all other functions of transit service delivery. Generally, the functional responsibilities of management are defined as 1) establishing system objectives to reach the goals set by the Governing Board; 2) attaining these stated objectives; 3) structuring the organization to attain objectives efficiently; 4) monitoring the performance of the system; and 5) establishing necessary communications linkages with the system and the general public.

Documents to be Reviewed:

- Organizational Chart
- Mission Statement
- Goals and Objectives
- Board By-laws

Person(s) Being Interviewed for this Section:	
reison(s) being interviewed for this section.	

Review Ouestions:

- 1. Does the transit system have a mission statement?
 - a) Who was involved in establishing the mission statement?
 - b) How often is the mission statement reviewed and updated?
- 2. Does the transit system have goals and objectives?
 - a) What is the process by which the goals and objectives are established?
 - b) Are the goals measurable?
 - c) How does the system report its progress towards meeting the goals?
 - d) To whom does the system report its progress?

3.		e all employees familiar with the organization's mission statement, goals and jectives?
	a)	What is the process of informing employees of mission statement, goals, and objectives?
	b)	How are employees encouraged to carry out the mission statement, goals, and objectives?

- 4. What type of community support does the transit system receive (financial and other)?
- 5. What types of support services are provided by the county, city, board, or other organizations?
- 6. Does the transit system have a Transit Advisory Committee or Council (TAC)?
 - a) How are the TAC members selected?
 - b) What is the role of the TAC?
 - c) How long do the TAC members serve?
 - d) Do the TAC members have meetings on a regular basis?
 - e) Do the TAC members operate under a set of established by-laws? (obtain copy)

- 7. What is the make-up of the governing board?
 - a) Who appoints the governing board?
 - b) How are they appointed?
 - c) What are their term lengths?

- 8. Does the board operate under a specific set of by-laws?a) Who developed and adopted the by-laws?b) When were the by-laws last reviewed and updated?

B. Eligibility

Eligible recipients of Section 5311 funds from INDOT include units of government authorized under state law to provide and carry out a local public transportation project. Eligible applicants include the State of Indiana, counties, cities, or towns. INDOT requires all projects to be sponsored by a unit of local government. Additionally, Public Transportation Corporations (PTC) as established under Indiana Code 36-9-4-12 or Regional Transportation Authorities (RTA) as established under I.C. 36-9-3-2 to provide public transportation service and facilities may be recipients. Private nonprofit and private for-profit operators of transit services may participate in the program as third party (lower tier) contractors for grantees or eligible recipients.

In this section, the reviewer should confirm that the grantee is an eligible recipient of Section 5311 funds. Copies of all lower tier contracts should be obtained and reviewed to ensure that all required compliance provisions are incorporated into the grant agreement.

In some cases, FTA permits the states to use an eligible subrecipient as a pass-through in order to funnel money to another eligible applicant. When the lower tier recipient would also be an eligible recipient, the arrangement is <u>not</u> a third party contract (e.g., state awards funds to a public agency that in turns gives the funds to an otherwise eligible recipient). It is important for the reviewer to ascertain the relationship between the grantee and lower tier contractors as either pass-through relationships or third party contracts. Beginning in FY 2000, INDOT expressly permits nonprofit organizations to serve as a lower tier subrecipient provided that the nonprofit is specifically designated in the grant application and resolution adopted by the otherwise eligible recipient.

Documents to be Reviewed

- Public Agency: Authorizing Resolution for Submitting Grant and Executing Contract with INDOT
- Private, Nonprofit: Articles of Incorporation
- Private Nonprofit: Copies of Agreements with Eligible Subrecipient
- Private, For-Profits: Copies of Agreement with Eligible Subrecipient

Person(s) Reing I	Interviewed for this Section:	
I croding being I	meet viewed for emis section.	

Review Questions

1. Review the contract of financial assistance between INDOT. Who is the local entity that is a party to the contract (the grantee)?

- 2. Has the grantee obtained a resolution from the governing board to enter into the grant agreement with INDOT? Is the resolution current and specific to this grant agreement?
- 3. If the grantee is not the service provider, ascertain whether the grantee is merely a pass-through to another recipient or whether the relation is a true third party (lower tier) contract.
 - a) If it is determined that the relationship is a pass-through, has the primary recipient addressed, by resolution, the lower tier relationship?
 - b) Obtain and review any lower tier subcontract(s). Does the agreement include all the requisite provisions required by FTA and INDOT (Refer to RLS internal guide on third party contract provisions)?

4. Eligible projects may constitute an entire public transit system, a particular service or function with that service, or an individual route or route segment. Service may include transportation to and from urbanized areas. However, such services should not include both pick-up and discharge operations within the urbanized area, particularly if the urbanized area is served by public transit. If Section 5311 funds are used in a joint urbanized and nonurbanized project, Section 5311 funds must be used primarily to assist the nonurbanized portion of the project.

Document the scope of services provided under the Agreement to ensure that services comply with eligible public transit services.

C. Public Involvement

All recipients of FTA capital funding must provide for an opportunity for public hearing, to hold that hearing unless no on requests one, to consider the economic, social, and environmental effects of the project, and find the project consistent with official plans for the area.

Documents to be Reviewed

- Copy of the most recent grant application
- Copies of public notice and hearing record (If subrecipient is receiving capital assistance)

Person(s) Being Interviewed for this Section:			
	Review Questions		
1.	Has the grantee been approved for capital funding? If so, was an opportunity afforded for a public hearing?		
2.	How was the notice advertised?		
3.	Has the grantee documented notification efforts?		
4.	Was a public hearing requested?		

5.	Is there a transcript or some other record of the hearing?
6.	What, if any, were the substantive issues raised at the hearing?
7.	How did the recipient propose to respond to these issues?
8.	What efforts did the subrecipient make to include the private sector to the maximum extent feasible?
9.	If the subrecipient is within the planning boundary of an urbanized area, was the public hearing requirement satisfied through the TIP process

D. Service Planning

Service planning is essential to efficient transit operations, to meet new market opportunities, and to respond to changes in the existing markets. The service planning function has four primary tasks: 1) planning should collect and research data upon which conclusions can be drawn and service modifications can be justified; 2) the planning process should meet the state recommendations for the preparation of service evaluations; 3) planning data should be used to justify requests for funding and to comply with stipulations required as part of the grant application process; and 4) the planning process is responsible for evaluation and improving the system's performance.

Documents to be Reviewed:

- Most recent TDP and/or Four-Year Capital and Operating Plan.
- Miscellaneous reports, memos, etc. that address service planning.
- Copies of recent surveys and the results.
- Most recent MPO Transportation Improvement Program (TIP), if applicable.
- Most recent end-of-the-year Rural Invoice.
- Most recent end-of-the-year Rural Operating Data.

Person(s) Being Interviewed for this Section:

Re	Review Questions		
1.	Who is responsible for service planning?		
2.	What other parties are involved in the planning process?		
3.	How is the planning process used to evaluate and improve the system's performance?		

4.	a) Are non-rider surveys used? b) Are driver manifests and trip requests used to evaluate current service? c) Do the drivers have input? (Suggestions and/or observations made by drivers.)
5.	How is the planning process used to meet INDOT's requirement for the preparation of a four year capital plan?
6.	Describe how planning data is used to justify requests for funding.
7.	Describe how planning data is used as part of the grant application process.
8.	Is the project located within an MPO's planning area? If so, which one?a) What interaction do you have with the MPO to incorporate your system's planning information into its Transportation Improvement Program (TIP)?b) When is your 4-year capital and operating data provided to the MPO?

9.	Does the project have a Transportation Development Plan (TDP) or a Feasibility Study? a) Who was involved in preparing it and when? b) When was it last updated and by whom? c) How is information contained in the TDP used and by whom? d) What period does it cover?
10.	Do you have any other short-range plans for your system in addition to your TDP and Four-Year Plan? a) If so, different from your TDP? b) Do you have a long range plan? c) If so period does it cover? d) What types of data collection to you perform?
11.	How are the data collected and routine performance evaluation processes used to make service modifications?
12.	Are historical trends evaluated when making service projections/or changes?
13.	How does the system track on-time performance?
14.	Describe the different rider classifications (elderly, students, etc.) you serve and the types of trips you provide (medical, shopping, etc.).

15.	How long is your pick-up window for a scheduled trip? a) Is this policy clearly communicated to the passengers? b) What is the average amount of time a passenger waits on a vehicles? c) What is your no-show policy? d) Is it in writing? e) How is it communicated to the passengers?
16.	What is the average number of trips scheduled per hour/day?
17.	How many telephone lines are designed for transit? a) Do they "roll-over" or ring busy? b) How are the telephones answered?
18.	Describe how passenger counts are conducted (manual, farebox, estimates, etc.)
19.	When was your last service change (hours, service area, etc.)?
20.	Is your system involved with any transportation coordination efforts in your area?a) Describe them, who is involved, and state the goals of the effort are.b) What is your system doing specifically to increase transportation coordination?

E. Services and Use of Project Equipment

Recipients of Section 5311 funds must exercise satisfactory continuing control over facilities and equipment acquired with Federal funds and must ensure that they are used in public transit service.

Federally funded equipment and facilities must be kept in good operating order. Meal delivery or other incidental services provided by the grantee cannot conflict with the provision of public transit service or result in a reduction of service to transit passengers.

Documents to be Reviewed

- Vehicle fleet roster with funding source designation, date of acquisition, accessibility status, and "designed to transport" capacity
- Vehicle utilization charts (if available)
- Documentation of insurance coverage
- Copy of FMCSA registration form (if vehicles traverse state lines)
- Copy of cost allocation plan to split costs between funds (If recipient receives both S. 5311 and S. 5307 funds)
- Copy of TIP (if subrecipient is within planning jurisdiction of an MPO)
- Documentation of insurance coverages (including collision) or other selfinsurance coverage to protect Federal and State interests in the equipment
- Lease agreements, if equipment is leased to a lower tier subcontractor
- Subrecipient's written disposition procedures for equipment that has surpassed its useful life?
- Preventive maintenance plans and schedules

Person(s) Being Interviewed for this Section:	
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Review Questions

1. Review the fleet roster or other public transportation management system vehicle inventory data in order to ascertain fleet accessibility ratio and the necessity for drivers to hold a Commercial Driver's License (CDL).

2.	What is the ratio of accessible vehicles to the total fleet size?a) Is the ratio of accessible vehicles sufficient to ensure equivalent level of service to persons with disabilities, including wheelchair users?b) If not, what is the grantee's capital improvements schedule for remedying this problem?
3.	 Have any vehicles been modified to satisfy the needs of incidental uses (<i>e.g.</i>, transport of meals)? a) How were these modifications funded or paid for? Document incidental usage, if found. b) Do incidental use of project equipment interfere or impede the provision of public transit service?
4.	Inspect vehicle titles. a) What entity is listed as the owner on the title? b) Is this name the same as the designated grantee?
5.	Document insurance coverages for all vehicles acquired with Federal assistance. Are all vehicles covered? Are there any exceptions or riders attached to the policies that would impact use of project equipment in the manner described in the grant application?
6.	Does the grantee maintain collision insurance on all vehicles with remaining useful life? Document limits of coverage?

7.	Is the level of insurance sufficient to cover current market value in the event of a casualty loss?
8.	Have any vehicles been rehabilitated as a capital expense? Did the total amount exceed 20 percent of the subrecipient's annual vehicle maintenance costs (incurred after April 1, 1996)?
9.	Does the subrecipient transport passengers across state lines? If yes, has the subrecipient filed the requisite application with FMCSA?
10.	Has the subrecipient purchased equipment and facilities with a combination of FTA funds (<i>e.g.</i> , Section 5307 and 5311)? If yes, how were costs allocated between urbar and rural funding programs? Is the methodology rationale and sound?
11.	Does the grantee's service area include any urbanized areas? If yes, are transit grant and capital related improvements included in the TIP?

12.	Does the grantee lease any equipment to lower tier contractors? How does the grantee ensure continuing control over the use of project equipment?
13.	Does the grantee maintain property management records for each piece of equipment acquired with Federal funds? Do the records contain all the required information?
14.	Has the grantee disposed of any equipment in the last two years? If yes, what are the grantee's written disposition procedures? Were these procedures followed?
15.	What methods were used to determine the current fair market value of the property or equipment being disposed of? Was the straight-line method used for vehicles?
16.	Were the proceeds from the disposition in excess of \$5000.00? Did the grantee file a written disposition plan with INDOT explaining how the proceeds would be used in the transit program?

17. Has the grantee undertaken any "like-kind exchanges" of vehicles? of the proceeds invested in the replacement vehicle?	Were 100 percent

F. Eligible Assistance Categories, Local Match, and Audits

Receipt of a Section 5311 grant obligates the grantee to use funds it receives as specified in the project application and grant agreement. Execution of the grant agreement establishes a partnership between INDOT and the grantee wherein INDOT assumes an oversight role in the use of grant funds and retains a vested interest in the unused grant balances, improperly applied funds, and property and facilities purchased or otherwise acquired under the grant. Grantees and third party contractors are responsible for establishing and maintaining adequate internal control over all their functions that relate to project administration and execution. These control systems must adhere to: Indiana Code 5-11-1-2, applicable Federal requirements outlined in the Common Rule, OMB Circular A-87, and program specific guidance contained in FTA Circular 9040.1E.

Both OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, and A-122, Cost Principles for Nonprofit Organizations, indicate that reports reflecting the distribution of activity of each employee must be maintained of all staff members whose compensation is charged, in whole or in part, directly to (a grant) award. Additionally, the report must reflect after-the-fact determination of actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to (grant) awards. The use of percentage time allocations of staff in their charges of time is not permissible under the cost principals of either local government or nonprofit organizations. Time charged to the Section 5311 program must:

- Reflect after-the-fact determination of actual activity
- Account for the total activity of the employee
- Be signed by the individual employee
- Be prepared at least monthly and coincide with one or more pay periods.

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. Attachment E to OMB Circular provides the standards for the preparation of indirect cost plans. "Major" grantees are required to submit indirect cost proposals to their cognizant Federal agency. Most of the grantees and operators receiving Section 5311 funds will likely be required to submit an indirect cost proposal to INDOT in order for indirect costs to be eligible under the grant.

Documents to be Reviewed

- Subrecipient's chart of accounts
- Budget information verifying the eligibility of LDI
- Project invoices and quarterly reports
- Indirect cost plans (if indirect costs are charged to the S. 5311 grant)
- Documentation of payments to "self-insurance" funds (if used)
- Copies of independent audits conducted pursuant to OMB A-128

Pe	Person(s) Being Interviewed for this Section:	
Re	eview Questions	
1.	Review the chart of accounts. Is there sufficient detail to adequately segregate, accumulate, and allocate the grantee's expenses incurred in the provision of transportation in accordance with INDOT standards?	
2.	Does the accounting system distinguish between administrative, operating and capital expenses?	
3.	Who is responsible for recording general ledger transactions for the grantee? Are the postings being done in a timely fashion?	
4.	Is the grantee posting transactions to the appropriate account category? Examine several transactions to ensure accurate coding and posting.	
5.	How does the grantee treat revenues from the purchase of service? Are these funds used as local match? Has the grantee adhered to Federal requirements in this regard?	

Documentation of actions to resolve audit findings.

6.	Is the local share being provided from non-Federal funds as prescribed in FTA Circular 9040.1E? Are the funds classified as Locally Derived Income (LDI) meet INDOT definitions for such funds?
7.	Review the internal process used by the grantee and/or operator to record personnel charges under the Section 5311 program. Are the charges based on actual expenses or estimates? Is time recorded on timesheets or personal activity records meeting the requirements of either OMB Circular A-87 or A-122?
8.	Review the internal processes used to determine if the expense incurred was necessary or reasonable for proper and efficient performance (administration) of the rural transit program (<i>e.g.</i> , costs are necessary in the day-to-day administration and operation of transit services).
9.	How does the grantee or operator establish that the cost incurred were reasonable for the good or service purchased?
10.	Does the grantee claim indirect costs? If so, was the indirect cost proposal certified by the grantee or operator? The indirect cost proposal must have a specific certification from an authorized official of the claiming entity reimbursement of indirect costs.

11.	If indirect costs are claimed, is the indirect rate used consistent with the rate approved by INDOT?
12.	Does the grantee self-insure? Is the transit fund making regular payments to the self-insurance fund?
13.	Has the grantee submitted its Quarterly Operating Financial Status Reports on time? Document the dates of submission and compare this against the INDOT schedule.
14.	Has the grantee submitted its Quarterly Operating Data Report on time? Document the dates of submission and compare this against the INDOT schedule.
15.	Is the grantee correctly calculating PMTF reimbursements? Does LDI exceed the amount of PMTF requested?
16.	Review any recent budget revisions. Has the grantee requested INDOT prior to making the budget revision? Is the grantee complying with INDOT rules for when INDOT approval is required?

17.	Has the grantee undertaken any activity that requires a contract amendment? Has the grantee notified INDOT promptly regarding the requested change? Did the grantee adequately document the requested change? Was the change submitted by December 1?
18.	Is the grantee conducting independent financial and compliance audits? Obtain copies of the last two years to verify that the audit provides for a separate income statement and balance sheet for the transit program.
19.	Does the audit report describe how compliance review elements were investigated? Does the audit site the most recent and relevant Federal guidance for compliance review elements to be examined or tested during the audit?
20.	Does the audit report include any findings or recommendations applicable to the transit program?
21.	Document how the grantee responded to the audit findings. Specifically examine current practices in each audit finding area to ensure that corrective or remedial action has been taken.

22.	Has the grantee submitted the independent financial and compliance audits to INDOT or the regional audit clearinghouse in a timely fashion? Has the grantee addressed to INDOT the remedial action(s) taken to resolve audit issues?

G. Financial Management

Accounting and finance are support components which play an important role in the functioning of a transit system. Accounting and finance functions include: 1) budgeting and financial planning; 2) monitoring revenues and expenditures; 3) accounting and payroll; 4) compliance with Federal grant accounting requirements; and 5) revenue security.

Documents to be Reviewed:

- Budgets
- Most recent and previous year final invoice
- Cost allocation plan
- Time sheets
- Payroll records
- Invoices, purchase orders, income statement, and records of cash receipts and transactions
- Most recent financial audit
- In-kind contributions plan
- Advertising Policy
- Requisition Costs Documentation Review (Optional Per INDOT Direction)

Person(s) Being Interviewed for this Section:			
- 0.			
Re	Review Questions:		
1.	Does the transit system have a financial plan?		
2			
2.	Who does the financial planning?		
3.	Who completes the budget?		

4.	Who approves the budget?
5.	How often is the budget reviewed?
6.	How are funds transferred between line items? a) When would this typically occur? b) Who is responsible for making these decisions?
7.	Are variance reports showing actual versus budgeted expenses and variances reviewed on a routine basis?
8.	What are the sources of local funding?
9.	What other types of Federal funding are used?
10.	Does the system have in-kind contributions? a) Is there a written in-kind plan? b) How is it verified; how often? c) Who is responsible for monitoring in-kind?

11.	Is there a cost allocation plan in place for building usage and personnel time?
11.	What type of accounting is used, cash or accrual?
12.	What is the date of the most recent financial audit? a) For grantee? b) For service provider?
13.	Does the transit system have a petty cash fund? a) Are there policies and procedures in place for petty cash expenditures? b) What types of expenditures is it used for? c) Who is eligible to withdraw funds?
14.	Do you generate revenue through advertising? Are advertising revenues deducted from the total cost of service for purposes of computing the net cost of service?
15.	Does the transit system have fareboxes? If not, where are the fares kept?

16. How often are the fareboxes pulled?
17. What is the procedure for the drivers to turn in the fares?a) Do the drivers count the fares and do a reconciliation?b) How often do the drivers turn in the fares?c) Is there more than one person present when counting fares?
18. Do the drivers have any up front money for making change, or for other expenditures such as car washes or fuel?
19. How are fuel purchases made?
20. Who reconciles the fares, drivers' logs and scheduler sheets?
21. Where are the fares stored until a deposit is made?a) Who has keys?b) Where are the keys kept?c) How often are fares deposited?d) Who makes the deposit?

22.	What are th	e back-up p	procedures	for all of th	e above task	cs?

- 23. How do the drivers record their time? Who verifies it?
- 24. How much overtime is paid in an average month?a) Is overtime budgeted?b) How is overtime tracked in the payroll records?

H. Personnel and Labor Relations

Transit Systems must ensure that transit personnel meet the human resource requirements for the system and that they have the necessary skills to perform their duties. This function includes: (1) employee policy and procedures handbook; (2) planning personnel needs; (3) recruiting, screening, hiring, training and crosstraining employees; (4) employee performance reviews; (5) compensating employees; and (6) participating in overall labor relations.

- Copy of Union Contract
- Copy of the work rules
- Copies of Grievances/Disputes in the last 3 years
- Copies of Hiring Interview Questions
- Hiring/Firing Procedures

Pρ	erson(s) Reing Interviewed for this Section:					
	Person(s) Being Interviewed for this Section:					
Re	eview Questions:					
1.	Are there written personnel policies and procedures in place?					
2.	Who is responsible for Personnel and Labor Relation functions?					
3.	What other parties are involved in the personnel planning process?					
4.	Who conducts the Employee Performance Reviews? How often are they conducted?					

5.	Is there a job description for every position?
6.	What are your policies and procedures for a filling a job opening (e.g., recruiting, selection, and hiring policies?
7.	Are job openings advertised to the public?
8.	Are driver abstract checks conducted as part of your screening process? By whom?
9.	Are criminal background checks conducted on the drivers/mechanics/dispatchers prior to employment? By whom?
10.	Who interviews applicants?
11.	Is there a standardized questionnaire used to interview applicants?
12.	Who is responsible for new hire orientation and training?

13.	a) How many grievances or disciplinary actions have occurred in the last three years?b) Are any still pending?
14.	Describe the procedure and the circumstances under which an employee could be fired.
15.	Who is responsible for ongoing employee training?
16.	Who is responsible for ongoing employee cross-training?
17.	What unions are represented?
18.	Who negotiates with the union?
19.	Do all employees have a policies and procedures handbook? How was it issued?

I. Procurement

The "common rule" permits states to follow the same policies and procedures it uses for procurements funded with non-Federal funds, to the extent permitted by Federal statutes and regulations.

There are differences in Federal requirements for states and local public bodies (grantees) than there are for nonprofit corporations. State and local public body procurements must adhere to five (5) procurement principals.

- For locally conducted procurements, copies of procurement documents, including IFB, RFP, purchase orders, vendor lists, bid tabulations, *etc*.
- For vehicle procurements of non-accessible vehicles (where accessible vehicles are required) documentation of "good faith" efforts
- Agreements for any equipment used by the subrecipient obtained through a lease agreement

Person(s) Being Interviewed for this Section:					
Re	Review Questions				
1.	Does the grantee have written purchasing procedures? Do the procedures meet FTA requirements (ethics standards, protest procedures, open and free competition, etc.)?				
2.	Who is responsible for small purchases?				
3.	What is the threshold for "small purchases"?				

4.	How are rate quotations received? What documentation is kept? How long is this documentation retained in the files?
5.	Does the grantee conduct its own procurements of rolling stock or do they purchase off of state contract?
6.	If the grantee conducts its own formal procurements, what guidance is used to distinguish between a competitive bid and competitive negotiation?
7.	If the grantee conducts its own formal procurements, are Federal guidelines relative to the five (5) basic procurement principals followed (<i>e.g.</i> , no hindrances to competition, no local purchasing preferences, five-year limit on the period of performance, inclusion of Federal requirements in procurement documents, and use of Brooks Act procedures for A/E services)?
8.	How are competitive procurements advertised?
9.	How are competitive procurements evaluated? Do the procurement documents clearly delineate the factors in the award?

10.	Have there been any sole source or noncompetitively negotiated procurements in the last three (3) years? Was a cost analysis prepared? Did the grantee receive INDOT approval prior to entering into a contract with the selected contractor?
11.	For all procurements in excess of \$25,000, did the grantee obtain INDOT approval of all documents prior to conduct of the procurement?
12.	Examine any contracts that have been executed as a result of local procurements. Have the required Federal clauses been included in the document?

J. Scheduling

Transit system scheduling includes taking calls for service, incorporating those calls into a service schedule and/or dispatching as appropriate to the drivers and vehicles, defining work/vehicle assignments, and conducting research to continually monitor and evaluate the scheduling process. Scheduling can be conducted manually, computerized, or a combination of the two. At a minimum, the system should include and/or maintain 1) the time needed to travel safely from point to point; 2) adherence to schedules; 3) service policies that take into consideration personnel and vehicle availability; and 4) that scheduling is being conducting in conformance with established system policies as well as State and Federal requirements.

- Samples of Dispatcher/Scheduler Sheets
- Samples of Driver Logs
- Dispatcher/Scheduler Policies and Procedures

Pe	Person(s) Being Interviewed for this Section: ————————————————————————————————————				
Re	Review Questions:				
1.	Who is responsible for scheduling (names of individuals)? a) Dispatcher/Scheduler b) Back-up				
2.	 How many direct phone lines are there to the scheduler/dispatcher? a) How are the phones answered (e.g., " Transit")? b) If a customer calls and the line is busy, what happens to the call? c) If, in question b. above, the call rolls to another line, how is that call answered (e.g., " Transit," other, etc.)? d) How does the scheduler/dispatcher identify the trip as an E & D (wheelchair needed) trip? e) What is the average length of time it takes to schedule a trip? 				

3.	What are the hours for dispatching/scheduling? a) What are core hours? b) How are calls handled outside these hours?
4.	 Describe the service policies for dispatching/scheduling. a) How far in advance are customers required to call to reserve a ride (e.g., 24-hours in advance, 48-hours in advance, etc.)? b) Are same day calls accepted? c) Are the policies in writing? Where are they? d) How are no shows handled (consequences, etc.)? e) How are cancellations handled? f) How are no shows and cancellations documented?
5.	Are any trips scheduled outside of the service area? To where? For what?
6.	How are trips prioritized?
7.	Are flag stops allowed?
8.	What percentage of the trips are: a) general public? b) contract trips?

9.	Can general public trips ride with the contract trips?
10.	Approximately how many calls are handled each day? a) Advanced reservations b) Same day calls c) Standing orders d) Subscription trips
11.	Describe the procedures used when service CANNOT be provided, including all documentation procedures for recording these calls. a) When would service typically not be provided? b) On an average, how often does this occur each week or month?
12.	Describe the procedures for assigning/scheduling drivers and vehicles. a) Who is responsible? b) When is it done? c) Do the drivers always have the same vehicle/route?
13.	Describe the procedures for handling standing orders and/or subscription trips. a) For what period of time can a standing order be made (week, month, longer)? b) Are written contracts used for subscription trips? c) How are subscription trips billed?

14.	Describe the procedures	for reconciling	dispatch log	s or schedules	with the fares
	collected.				

- a) Who is responsible?
- b) How often is it done?
- 15. For what other duties is the dispatcher/scheduler responsible?
 - a) Maintenance (if so, defer to maintenance section).
 - b) Billing (if so, defer to accounting section).
 - c) Personnel (if so, defer to management section).
- 16. Who determines changes to scheduling procedures?
 - a) How is the system monitored?
 - b) What are the dispatching/scheduling goals and objectives?
- 17. What types of training (videos, classroom, peer-to-peer) have been used for dispatching/scheduling and when?
 - a) Schedulers/dispatchers
 - b) Back-ups
 - c) Drivers

K. Transportation

Transportation is among the most important of the functional areas of a transit system, dealing with the actual operation of the vehicles. Should a transit agency perform this area well, it becomes a vital part of the transportation system of the community. This activity entails three primary tasks: 1) assigning vehicles and drivers; 2) monitoring daily operations; and 3) handling emergencies.

Development of work schedules is a critical task to transit operations. Labor typically represents more than 60 percent of total operations costs. Evidence of the efficient use of labor is shown by the productivity of the transit system's labor force.

Proper response in the event of an emergency can save lives, facilitate immediate response of police and rescue services, and limit the liability of the transit system.

- Driver/Employee Handbook
- Accident & Incident Policy and Procedures Including Forms
- Wheelchair Assistance Policy
- Copy of Driver Disciplinary Policy
- Driver Complaint Policy
- Job Descriptions of Operations Employees
- Sample Driver Schedule
- Sample Driver Time sheet
- Disruptive Passenger Policy

Pe	Person(s) Being Interviewed for this Section:			
Re	view Questions:			
1.	How are vehicles and drivers assigned runs?			
2.	How are the daily operations of the vehicles monitored? Who is responsible?			

- 3. How are drivers monitored?
 - a) Is there a written complaint process?
 - b) How are the passengers made aware of the complaint process?
 - c) How are complaints against a driver processed?
 - d) How are complaints reviewed?
 - e) How are they answered?

- 4. What are your on-street monitoring procedures?
- 5. Define the process used to report and respond to accidents.
 - a) Define "Accident" Does a definition appear in the handbook so that every employee knows the difference between an accident and an incident?
 - b) How many chargeable accidents have occurred system-wide in the last 12 months?
 - c) What disciplinary action is taken when there is recurrence of accidents by a particular driver?
 - d) Overall review of accident policy
 - e) Is there a safety committee to review accidents?
 - f) Who is on the safety committee?

- 6. How are incidents handled?
 - a) Define "Incident."
 - b) How many incidents have occurred system-wide in the last 12 months?
 - c) What disciplinary action is taken when there is recurrence of incidents by a particular driver?
 - d) Overall review of incident policy

7.	What is the transit system's wheelchair assistance policy?
8.	What is the system policy for aides or personal care attendants?
9.	What assistance is provided to the patrons by the drivers (help out of the house, help with groceries)?
10.	What assistance is prohibited to the patrons by the drivers?
11.	What is the system policy for parcels?
12.	What is the system policy for animals?
13.	What is your system policy for disruptive passengers? a) Is it in writing? b) How is it communicated to the passengers?

L. Safety and Training

Transportation systems must protect the welfare of their employees and passengers through comprehensive training and retraining of all employees. The safety and training function should include a program of employee training and must promote safety and security in all aspects of the system's operations.

- Copy of the training/retraining program and schedule to ensure minimum driver training standards are met.
- Training materials and manuals.
- Check of vehicle safety equipment.
- Bloodborne Pathogens Program

Person(s) Being Interviewed for this Section:			
n			
Ke	view Questions:		
1.	Are drivers/mechanics/dispatchers required to have CDLs for all vehicles?		
2.	What type of training must the driver/mechanic/dispatcher have as a prerequisite to employment? (Defensive driving, first aid, CPR, sensitivity training, customer service training, passenger assistance training)		
3.	What type of training is provided to the drivers/mechanic/dispatcher?		
4.	Who conducts the training?		

5.	What materials are used to support training?
6.	How often do the drivers/mechanics/dispatchers receive a refresher course?
7.	Are the vehicles equipped with insurance kits/witness cards?
8.	Are the drivers/dispatchers familiar with the accident/incident reporting requirements?
9.	Does the vehicle have a first aid kit?
10.	Are the drivers permitted to administer first aid or CPR? What is the system policy? Is it in writing? How is it communicated to the drivers?
11.	Do the vehicles have a fire extinguisher? (Check recharge date!)

12. Are training records kept in the employee files?
13. What type of training does a driver receive prior to operating a vehicle?
14. What is the system's seat belt policy?
15. Does the system provide child safety restraint seats?
16. What is the policy for the child safety restraint seats? Do the drivers seat the child?
17. Does the system/grantee have a safety program and awards for achieving safety standards?
18. Does the system participate in periodic emergency preparedness drills?

M. Inventory

All Grantees must submit and maintain a complete inventory including disposition of all Federal and State purchased equipment, facilities, and vehicles. Maintenance of Project Inventory is a Federal and ODOT (Contract, Section 6, Required Information and Documentation) requirement. Details and specific instructions can be found in the Rural Transportation Program Manual, Volume I, VI-5 thru VI-8, Attachments VI-A, B, C, D and E. The Grantee must also be in compliance with the Public Transportation Management System (PTMS) requirements. If ODOT does not receive proper inventory documentation, including all PTMS required information, payments may be withheld.

Documents to be Reviewed:

Property inventory records

Person(s) Being Interviewed for this Section:		
Re	view Questions:	
1.	When was the inventory of all equipment, vehicles, and real property last updated?	
2.	Who is responsible for maintaining the inventory?	
3.	Describe the process for updating the inventory and how often is it updated?	
4.	Have any equipment/vehicles been disposed of in the last three years? List the equipment.	

5.	Describe your process for disposition of equipment/vehicles/real property?
6.	Do you have property control procedures for adding and deleting items from the records?
7.	Has INDOT/FTA been reimbursed for its share of property, if required?
8.	Has any equipment/vehicles been prematurely been disposed of (i.e. before useful life)? List the equipment and the reason for disposition. What is your process for this type of disposition?
9.	Is property being used for transit purposes?
10.	Where are property records kept?

11. Do you have a	lease agreement	for property use?
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- a) Are leases attached to FTA funded assets?
- b) If yes, were leases approved by INDOT?
- c) Are lease administered to assure compliance with FTA requirements?
- d) Are property management guidelines followed by private operators under contract?
- e) Are lease revenues used for transit purposes?
- 12. How is property insured?
- 13. What is your policy with respect to insurance and casualty losses affecting FTA-funded facilities and equipment? If self-insured, how is self-insurance funded?

N. Maintenance

The maintenance function involves the following: 1) maintenance equipment and facilities; 2) responding to vehicle breakdowns; 3) performing preventive maintenance (PM); and 4) managing maintenance employees. The grantee must ensure Federally and State funded equipment, facilities, and vehicles are maintained in good operating order.

- Vehicle maintenance histories for all vehicles
- PM/Pre-Trip forms
- A copy of the PM schedule for every vehicle
- Road call reports
- Parts of inventory
- Any other pertinent reports or schedules

Person(s) Being Interviewed for this Section:		
Review Questions:		
1.	Do you have a written maintenance plan?	
2.	Who is responsible for the maintenance program?	
3.	Is maintenance performed in-house or contracted out?	
4.	If contracted out, how is the maintenance contractor selected?	

5.	Is the system's preventive maintenance program consistent with minimum industry standards?
6.	Does the PM schedule match the manufacturer's recommended PM schedule (interval)?
7.	Are scheduled PM inspections being performed on time?
8.	Is there a PM plan for ADA-mandated accessibility features?
9.	Is all work required by the manufacturer to ensure warranty provisions being performed?
10.	Are warranty claims, if any, pursued effectively, promptly to conclusion, and reported to INDOT?
11.	Is there a pre-inspection checklist (obtain copy)?

12.	Who is responsible for conducting daily vehicle inspections? documented?	How are the inspections
13.	Who is responsible for cleaning the vehicles, inside and out?	
14.	How often are the vehicles cleaned?	
15.	Are the oil samples and other fluids being tested?	
16.	How much inventory do you keep and the type of parts kept?	
17.	How is the parts inventory kept and updated?	
18.	Where and how are vehicles stored?	

19.	What is the total fleet size? Number of vehicles required peak hour use? Total number of spare vehicles during the peak period?
20.	How many road calls are recorded per year?
21.	Over the past year, are the number of road calls increasing, decreasing, or staying the same?
22.	What is the system's definition of a vehicle breakdown?
23.	Does the system have a written breakdown policy?
24.	Who oversees maintenance employees?
25.	What training is provided for maintenance personnel?

O. General Compliance and Assurances

States are required to file various assurances with FTA. INDOT, in turn, requires that grantees file similar assurances with the grant application.

Documents to be Reviewed

- Copy of subrecipient's Standard Assurances certification
- Copy of the subrecipient's Statement of Continuing Validity,

Person(s) Reing	Interviewed for this Section:	
I CI SUII(S) DCIIIZ	interviewed for this section.	

Review Questions

(1) Has the grantee executed a recent Standard Assurances certification? What is the date on the Certification?

P. Civil Rights (Title VI)

FTA, pursuant to the Title VI of the Civil Rights Act of 1964, requires that no person in the United States on the grounds of race, color, creed, national origin, sex, age or disability, be excluded from participating in, or denied the benefits of, or be subject to discrimination under any project, program or activity funded in whole or in part through financial assistance under the Section 5311 program.

Documents to be Reviewed

• Copy of standard Title VI Assurance

Person(s) Being Interviewed for this Section:

- Description(s) of any lawsuits or complaints alleging discrimination in service delivery filed within last year along with statement of resolution/outcome.
- Summary of all civil rights compliance activities conducted in the last three years.
- Analyses of environmental or social impacts, including minority communities, arising from constructions project (except those that qualify as categorical exclusion)

Re	Review Questions				
1.	Who is the designated staff responsible for ensuring that civil rights obligations are fulfilled?				
2.	Has the Title VI assurance been submitted?				
3.	Have any civil rights complaints been filed? If so, when were the complaints filed and what was the resolution to those complaints?				

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4. Is there an approved Title VI program? Has the program been updated in the last three years?

Q.	Equal	Employ	yment O	pportunity	y (EEO))
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If grantees in the Section 5311 program receives more than \$1,000,000 in the previous Federal fiscal year, or employs more than 50 or more mass transit employees, the grantee must submit an EEO program to INDOT.

Documents to be Reviewed

• Copy of EEO program (If the subrecipient receive more than \$1,000,000 in Federal assistance or employ more than 50 employees)

Pe	Person(s) Being Interviewed for this Section:		
Re	view Questions		
1.	Is the grantee required to submit an EEO program to INDOT as required in the above description? If yes, has the program been approved?		

- 2. Does the grantee have a designated EEO officer?
- 3. Are EEO signs posted for employees?

R.	Disadvantaged	Business	Enterprise	(DBE)	

If a grantee in the Section 5311 program receives \$250,000 or more in FTA planning, capital, and/or operating assistance in a Federal fiscal year, it is required to develop a DBE program.

Documents to be Reviewed

- Copy of DBE Program and Goals (If the subrecipient provides more than \$250,000 in contracting opportunities using Section 5311 funds (and Section 5307 and Section 5310 funds, if applicable))
- Copies of most recently developed annual DBE program (if applicable)

Person(s) Being Interviewed for this Section:		
1 crossin(s) being friter viewed for this section.		

Review Questions

1. Is the grantee required to have an approved DBE program (note the recent definition change in how to calculate the threshold)?

The following questions apply only if a DBE program is required.

- 2. Was a DBE program submitted by August 31, 1999? Was the program approved (an entity is not eligible to receive FTA funds unless the program is approved)?
- 3. Does the grantee have a DBE policy statement that is signed and dated that expresses the grantee's commitment to the DBE program?

4.	Does the grantee have a designated DEBE liaison officer?
5.	Has the grantee undertaken a thorough investigation of the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community? Are reasonable efforts made to use such institutions?
6.	Has the grantee developed a process that ensures all contractors pay subcontractors for satisfactory performance within a reasonable period of time after payment from the grantee?
7.	Does the grantee maintain and make available to interested persons a directory identifying all firms eligible to participate as DBEs?
8.	Has the grantee made any determination that DBE firms are overconcentrated in a certain type of work? If yes, has the grantee devised appropriate strategies to address this overconcentration?
9.	Has the grantee developed a monitoring and enforcement mechanism?

10. How were the grantee's goals set for the program? Is there evidence that the goal was based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all business ready, willing and able to participate in contracts let by the grantee (refer to 49CFR part 26.45 for specific recommended steps to establish goals)?

S. Section 504 and Americans with Disabilities Act (ADA)

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of handicap by recipients of Federal financial assistance. The Americans with Disabilities Act of 1990 imposed specific requirements on both public and private providers of public transportation.

Documents to be Reviewed

- Copies of any complaints filed against the subrecipient alleging discrimination on the basis of disability in service delivery (filed within last year) along with statement of resolution/outcome.
- Written records of service denials and the basis for those denials
- Copy and description of fare structure employed by the subrecipient
- Copy of system information distributed or available to the public

	 Copies of the complementary paratransit plan and annual updates (with INDOT/FTA approval letters), if applicable.
Pe	rson(s) Being Interviewed for this Section:
Re	eview Questions
1.	Document the service type provided by the grantee. Is the system fixed route or demand response?
2.	Is the system publicly or privately operated? If private, is the entity primarily engaged or not primarily engaged in the transportation of people?

Demand Response Systems

3. Describe how the system provides equivalent service to all passengers, including those with disabilities?

4.	What fares are charged? Are there additional fares for wheelchair passengers?
5.	Is system information made available to the public available in alternative formats upon request? Does the material indicate this material is available?
6.	Are all common mobility devices transported on the system?
7.	Are standees on wheelchair lift platforms permitted?
8.	Is there a system to track service denials? If yes, does this system track whether the denial was made to a person with a disability?
<u>Fix</u>	aed Route Systems
9.	Describe the complementary paratransit services provided.
10.	What are the hours and days of operation of paratransit and fixed route services?

11. What is the service area for paratransit and fixed route services?
12. What are the normal administrative business hours of the system? Are reservations for paratransit accepted during these hours?
13. Are reservations accepted on a "next-day" basis?
14. What is the fare for both the fixed route and paratransit systems?
15. Are there any limitations on trip purposes or allotments on allowed rides?
16. Has the system prepared annual updates to its complementary paratransit plan? Have these updates been submitted on time?
17. How are trip denials tracked? Is there a pattern or practice of consistent trip denials?

	ow is eligibility determined? rd party?	Is the process handled in-house or contracted to a
19. WI	hat method of eligibility deter	rmination is used?
20. Ar	e certification decisions com	municated in writing?
21. Is t	there a process for appeals?	Who hears and determines appeals?
	re certification decisions and to quired timeframes outline in 4	the handling of appeals being accomplished within the 49 CFR part 37?
23. Is a	a mechanism in place to allow	w certification of visitors?
	oes the system announce stops d upon request?	s at transfer points, major intersections or destinations

25. Does the grantee have a mechanism to identify vehicles to individuals with vision impairments when more than one vehicle serves a stop?
26. For Both Systems
27. Have there been any complaints filed regarding discrimination on the basis of disability? If yes, when was the complaint filed?
28. What was the resolution of the complaint?
29. What procedures are employed to ensure that accessibility features on the vehicles is maintained in proper working orders?
30. If the grantee finds that a lift in not in proper working order, is the vehicle removed from service?
31. Do all lift equipped vehicles contain the require wheelchair securement hardware? Do grantees require a wheelchair passenger to transfer to another seat?

32.	Are there any policies or procedures in place wherein the grantee will not operate a vehicle's accessibility features?
33.	Does the grantee permit service animals to ride on the vehicle?
34.	Does the grantee allow persons using a respirator and/or portable oxygen to ride transit vehicles?
35.	What type of training is provided to ensure that employees are trained to proficiency in the operation and use of accessibility equipment and the proper treatment of persons with disabilities?

T. Labor

Section 5333(b) requires that as a condition of financial assistance from FTA, fair and equitable arrangements must be made to protect the interests of employees affected by such assistance. Each recipient of Section 5311 funds must agree in writing to the Special Warranty, or alternatively, make other arrangements with the Department of Labor.

Documents to be Reviewed

- Copy of the most recently executed Section 5333(b) warranty
- Copy of the list of other eligible recipients, and labor unions in the service (included with the grant application)

Pe	Person(s) Being Interviewed for this Section:		
	eview Questions		
1.	Was the Warranty executed for the most recent Section 5311 application?		
2.	Is the list of providers who are eligible for Federal transportation assistance in the service area documented and up-to-date?		
3.	Is the list of labor organizations representing the employees of the providers listed in Question 2 documented and up-to-date?		
4.	Is a Section 5333(b) notice posted for employees to view?		

U. Charter Service

Section 5311 recipients are subject to limitations on the provision of charter services. Any recipient desiring to provide charter service must publish a notice annually and determine whether there are any private charter operators willing and able to provide the service.

There are several exceptions to FTA's charter policies unique to Section 5311. Recipients may petition FTA for an exception if charter service by a willing and able private operator would impose a hardship on the customer (refer to Section of the Indiana Section 5311 Program Manual).

Services provided to human service agencies are generally not regarded as charter service.

Documents to be Reviewed

- Published annual notice to determine if there are any private sector companies able and willing to perform this services (if subrecipient engages in charter service)
- Undue hardship exceptions (if applicable)

Person(s) Reing Interviewed for this Section.

• Copies of complaints regarding provision of charter service

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Re	eview Questions
1.	Does the grantee engage in any charter operations?
2.	Was the required annual notice published by the recipient? Was there any response to this notice? How were these responses handled?
3.	Has the grantee requested an undue hardship exception?

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4. Has there been any complaints regarding the grantee's provision of a charter service? How did the grantee resolve these complaints?

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Section 5323(f) prohibits the use of FTA funds for exclusive school bus transportation. Existing services may be modified to accommodate school students along with the general public.

Documents to be Reviewed

• Copies of contracts with all entities that purchase contract service from the system

Person(s) Being Interviewed for this Section:

Review Questions

- 1. Based on a review of vehicle utilization charts, contracts, etc., does the recipient provide any school service?
- 2. Is the service exclusive to school students?

W. America/Pre-Award and Post-Delivery Reviews/New Bus Testing

Section 5323(j) provides that, with exceptions, Federal funds may not be used be obligated for mass transportation projects unless steel and manufactured products used in such products are produced in the United States.

Procurements for vehicles, other than sedans or unmodified vans, must be audited in accordance with FTA's Pre-Award and Post-Delivery Audits of Rolling Stock Purchases.

Any new bus models must be tested at the FTA sponsored test facility in Altoona, PA before Federal funds can be expended to purchase them. This provision applies to all vehicles, except unmodified vans (including vans with raised roofs or lifts installed strictly to OEM guidelines).

Documents to be Reviewed

- Documentation of Buy America waivers (if applicable)
- Buy America certifications

Person(s) Being Interviewed for this Section: —

- Pre-award and post-delivery audit certifications
- Pre-award and post delivery audits (if applicable)
- Copy of in-plant inspection (if more than 10 vehicles purchased)
- Copies of vendor provided Bus Testing certifications

Re	view Questions
1.	Has the grantee purchased vehicles in the past three years? If so, have they purchased through INDOT contract or through local procurements?
2.	If purchased directly, are the pre-award audit and post-delivery audit certifications up-to-date?

3.	Was written documentation available supporting that the pre-award and post-delivery audits were performed?
4.	For purchases of 10 or fewer vehicles, did the certifications include that the vehicles had been visually inspected and road tested by the grantee and that the vehicles met the purchase specifications?
5.	For purchases of more than 11 vehicles, was an in-plant inspector present through the manufacturing process?
6.	What process was used to ascertain the domestic content of the product, its components and its subcomponents?
7.	Were Buy America procedures followed on all purchases subject to this requirement?
8.	Were any Buy America waivers submitted to INDOT/FTA? If yes, what was the outcome?

9. Did the grantee verify that the bus models purchased had been tested at the Altoona facility? Did they obtain the test reports?

X. Integrity/Restrictions on Lobbying

Section 5311 funds may not be given to anyone who has been debarred, suspended, ineligible, or voluntarily excluded from participation in Federally assisted transactions. The burden of disclosure is on the debarred or suspended party.

Federal financial assistance may not be used to influence any member of Congress or an officer or employee of any agency in connection with the making of any Federal contract, grant or cooperative agreement. Recipients that receive more than \$100,000 must sign a certification to this requirement and must disclose the expenditure of non-Federal funds for lobbying purposes.

Documents to be Reviewed

- Copy of "debarment" certification
- Copies of lower tier contracts

Person(s) Reing Interviewed for this Section.

- Copy of certification of Restrictions on Lobbying (if FTA funds exceed \$100,000)
- Copy of Standard Form LLL (if subrecipient uses non-Federal funds for lobbying activities

10	ison(s) being interviewed for this section.
Re	view Questions
1.	Is the grantee's debarment and suspension certifications up-to-date?
2	Has the grantee taken any exception to the statements in its certification? Has it
4 .	learned that any certification was erroneous? Was INDOT/FTA notified?
3.	Has the grantee included the required certification clauses in all its procurement documents exceeding \$100,000?

5. Has the grantee obtained signed certifications from all major lower tier contractor	rs?

Y. Drug Free Workplace/Drug and Alcohol Testing

All recipients of FTA funds are required to maintain a drug-free workplace for all employees and to have an anti-drug policy and training program. Grantees must notify employees that the use, manufacture, distribution, or possession of a controlled substance is prohibited in the workplace.

Recipients of Section 5311 funding are required to have a drug and alcohol testing program in place by January 1, 1996. A newly established grantee must have a program in place prior to the receipt of Federal funds. All safety sensitive employees must be subject to the provisions of this program.

Documents to be Reviewed

- Copy of Drug-Free Workplace policy
- Copy of FTA policy
- Copy of policy conveyance to employees (e.g., pamphlet, memoranda, employee acknowledgements, etc.)
- Documentation of submittal (dates) of MIS reports to INDOT

Person(s) Being Interviewed for this Section:	
Review Questions	

Drug Free Workplace

1. Has the grantee certified that they are in compliance with the requirements of the Drug-Free Workplace Act?

2. Does the grantee have a written policy that informs employees of the dangers of drug abuse, available drug counseling, rehabilitation, and employee assistance programs? Does the policy indicate the penalties for violations of the drug-free workplace policy?

3.	How are employees made aware that the grantee operates a drug-free workplace?
4.	Does the grantee conduct the required on-going training and awareness program as required in the Drug-Free Workplace Act?
5.	Does the grantee follow the required reporting procedures when an employee is convicted for a violation of a criminal drug statute occurring in the workplace?
6.	When the system advertises for an employment position, does the ad state that it is a drug-free workplace and, if applicable, that the position is subject to drug and alcohol testing?
FT	A Policy, Communication, and Education
7.	Does the grantee have a drug and alcohol testing policy that conforms to FTA requirements?
8.	When was the policy last updated to address changing FTA requirements? Is the policy updated periodically? What is the date of the policy? Has the governing board acted to adopt the most current version of the policy?

9.	What documentation does the Grantee maintain that all safety sensitive employees have received a copy of the policy? When do all employees and/or employee organizations receive copies of the policy?
10.	Have covered employees and supervisors received the requisite level of training? What training have supervisors who may make reasonable suspicion determinations had? How long are records related to employee training retained?
	nployer Responsibilities What is the steps are taken by the transit agency to oversee third party contractors?
11.	what is the steps are taken by the transit agency to oversee third party contractors:
12.	Does the transit system check the drug and alcohol background of all new hires? Does the system respond to similar requests made by other DOT-regulated employers?
13.	Are procedures in place to have employees proceed immediately to a collection site following a reasonable suspicion determination? Is there a procedure in place to document alcohol tests that are delayed more than two hours?

Collection Sites

14.	Where is the collection site? Is the site open during all hours of transit operation? How are urine and breath samples for random testing collected on evenings and weekends?
15.	Are employees escorted to the collection site? Does the collection site know who is coming for a random test and when the individual should arrive? Does the collection site notify your system if the covered employee fails to arrive for a test at the assigned time?
16.	Do personnel at the collection site use the required DOT forms (Note: new CCF are required on August 1, 2001)?
17.	Are current collection site employees aware that they must undergo qualifications training by January 31, 2003? Have all newly hired (after July 31, 2001) collection site personnel undergone qualifications training?
18.	Under what circumstance with the collection conduct an observed collection?

19.	How soon after specimen collection are the samples and CCF transmitted to the laboratory and MRO, respectively?
20.	Where is the location of the EBT? Is the EBT on the conforming products list? Does the transit system maintain records of external calibration checks of the EBT and store it in a secure place? Has the transit system made provisions for the use of a back-up EBT for times when the primary EBT is unavailable?
21.	Is the EBT and BAT available during all hours of transit operations?
22.	Have the credentials of the BAT been verified? How does the BAT communicate positive test results to your transit system?
Me	edical Review Officers
23.	Who is the MRO? Have the credentials of the MRO been verified? Is there a back-up MRO? How does your MRO communicate verified test results to your system? Does the MRO transmit all tests results in a timely and secure manner? Does your substance abuse policy indicate who the MRO is and how to contact him/her?
24.	Who is designated to receive test results from the MRO?

25.	Has there been a new MRP designated since August 1, 2001? If so, has the MRO taken a formal training course from a nationally recognized MRO professional certification board?
26.	If the existing MRO has been designated prior to August 1, 2001, does the MRO know that they are required to take a formal training course and successfully complete it prior to January 31, 2003?
27.	Who communicates drug and alcohol test results to employees?
La	<u>boratories</u>
28.	Are the testing labs DHHS certified?
29.	Does the lab provide semi-annual statistical summaries?
<u>Sul</u>	ostance Abuse Professionals
30.	Who is the SAP? Have the credentials of the SAP been verified? Is there a back-up SAP? Does your substance abuse policy indicate who the SAP is and how to contact him/her?

Types of Testing

31.	Who conducts the random selection process? How are the random selections drawn? Is a statistically valid procedure being used? When are new employees who are hired to safety sensitive positions added to the pool?
32.	How frequently are random selections drawn? How frequently are random tests conducted? Do you conduct random tests on all work days & all shifts, including holidays?
33.	How are employees notified that they have been selected for a random test? What time elapses between selection, notification, and testing?
34.	When are random drug test performed on covered employees? When are random alcohol tests performed on covered employees?
35.	What percentage of safety sensitive employees are being tested in each category?

36.	Does your system have a company-wide testing program, including testing that goes beyond the requirements of the FTA regulations? How is the employee notified of the FTA authority for each test conducted under FTA Authority?
37.	Is the grantee part of a testing pool? Does the pool meet the percentage requirements?
38.	What are the procedures to have post-accident tests conducted? Are FTA requirements being met?
39.	At what point is the pre-employment test administered? Are all applicants notified in writing of the requirement to pass a drug test?
Re	cordkeeping
40.	Where are drug and alcohol test record kept? Who has access to these records? How long are these records retained?
41.	Are the required MIS reports being submitted to INDOT in a timely fashion?

Z. Miscellaneous Provisions

Environmental Protection: Section 5311 must adhere to FTA's environmental impact regulations. There are different levels of compliance, depending on the type, complexity, and potential environmental impact of the project. Most Section 5311 projects will be classified as "categorical exclusions."

Commercial Driver's License: All drivers of vehicles designed to transport 16 or more persons (including the driver) must have a Commercial Drivers License (CDL) pursuant to this Act. Mechanics who drive the vehicles must also have a CDL.

Clean Air Act: Transportation plans, programs, and projects must be found to "conform" with approved state (air quality) implementation plans before they can be funded by FHWA or FTA. Most of the projects typically funded under Section 5311 have been exempted by regulation from the conformity review process, e.g., operating assistance, purchase and rehabilitation of transit vehicles, operating equipment, construction of most storage and maintenance facilities, etc. A complete list of exempted highway and transit projects is found in 40 C.F.R. §51.361. Other types of projects may require detailed air quality analysis (either burden analysis or dispersion modeling) in order to determine whether the project would create a violation of a standard or make an existing violation worse. While this is not an issue for most Section 5311 projects, it could be for certain large facilities, e.g., transit terminals and park-and-ride facilities.

Bloodbourne Pathogens: Any employer that has employees with occupational exposure to blood or other potentially infectious materials must develop a written Exposure Control Plan designed to eliminate or minimize employee exposure. "Occupational Exposure" means "reasonably anticipated skin, eye, mucous membrane, or parenteral contact with blood or other potentially infectious materials that may result from the performance of an employee's duties."

Documents to be Reviewed

- Copy of subrecipient's assurance that project is "categorically excluded"
- Documentation of INDOT or FTA of other projects that required further environmental study or determination (e.g., environmental assessments, FONSI, or EIS)
- Employee records to determine CDL status
- Exposure Control Plan

Person(s) Reing	Interviewed for t	this Section.	

Review Questions

1.	Has the project been determined to be a categorical exclusion?
2.	Based on the reviewer's understanding of the project scope at this point in the compliance review, does the project meet the requirements for a categorical exclusion?
3.	Does the system operate vehicles that require a CDL? Do the drivers possess CDLs?
4.	How does the grantee ensure that only CDL holders, including mechanics testing vehicles for repair, operate these vehicles?
5.	Is the project exempt from conformity review?
6.	Has the grantee written an Exposure Control Plan?

7.	Has the transit system periodically reviewed conditions in the workplace and updated the plan when necessary?
8.	Do vehicles have a biohazard kit?